Cash crunch due to pending subsidy to fertilizer industry

†1193. SHRI AMIR ALAM KHAN: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that subsidy for fertilizer industry is kept pending and as a result, this industry has to face cash crunch;

(b) if so, the details thereof;

(c) the reasons for not sanctioning the funds for these manufacturing units by Government; and

(d) by when the pending subsidy is likely to be released?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI B.K. HANDIQUE): (a) and (b) The release of fertilizer subsidy on sale of fertilizer is a continuous process. The claims of the fertilizer subsidy are being released to the fertilizer companies regularly. A total of Rs. 25952 crore has been released as fertilizer subsidy in the current year till 20th November, 2007.

(c) and (d) In view of the (a) and (b) above, question does not arise.

Extending the subsidy regime to 200 fertilizers and complexes

1194. SHRI C. RAMACHANDRAIAH: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Government are contemplating to expand the scope of fertilizer subsidy and extend the subsidy regime to 200 fertilizers and complexes which are part of fertilizer control order;

(b) if so, the details of the new subsidy regime and whether the new regime would, in any way, help in reducing the scarcity of fertilizers that is putting the small farmers to great-ordeal; and

(c) if not, what steps have been mooted to eliminate the existing scarcities of fertilizers?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI B.K. HANDIQUE): (a) to (c) A Group of Ministers (GOM) has been set up to look into the sustainable use of fertilizers, and pertinent subsidy and pricing issues. The GOM is looking into all issues related to fertilizer sector including the issue of expansion of scope of fertilizer subsidy to cover all the fertilizers in the fertilizer control order.

At present, the fertilizer are being made available in accordance with the assessed requirement in all parts of the country. The availability of fertilizer has been much higher than the actual sales in the current year.

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† Original notice of the question was received in Hindi.